



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 7**

11201 Renner Boulevard
Lenexa, Kansas 66219

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RECEIPT CONFIRMATION REQUESTED

scdinc4@qwestoffice.net

Mike Wiser
Manager
South Central Diesel, Inc.
115 South East Avenue
Holdrege, Nebraska 68949

Re: Notice of Potential Violation and Opportunity to Confer
Clean Air Act Mobile Source Requirements
South Central Diesel, Inc., Holdrege, Nebraska

Dear Mr. Wiser:

Title II of the CAA, 42 U.S.C. §§ 7521-7554, and the regulations promulgated thereunder, were enacted to reduce air pollution from mobile sources. In creating the CAA, Congress found, in part, that the increasing use of motor vehicles has resulted in mounting dangers to the public health and welfare. Title II authorizes the EPA to set standards applicable to emissions from a variety of vehicles and engines. The CAA prohibits tampering with emissions controls, as well as manufacturing, selling, or installing aftermarket devices intended to defeat those controls.

On October 23, 2020, the U.S. Environmental Protection Agency Region 7 (the EPA) sent South Central Diesel, Inc. (SCD) an information request pursuant to Section 208(a) of the CAA, 42 U.S.C. § 7542(a). The purpose of the information request was to determine SCD's compliance with Title II of the CAA and the regulations promulgated thereunder. SCD submitted a response to the information request on December 20, 2020. Based on the response and other relevant information, SCD may be in violation of the CAA and EPA's implementing regulations. The potential violations include the following:

More than 156 instances of selling, or offering to sell, or installing any part or component intended for use with, or as part of, any motor vehicle or motor vehicle engine, where a principal effect of the part or component is to bypass, defeat, or render inoperative any emissions control device or element of design installed on or in a motor vehicle or motor vehicle engine, in violation of Sections 203(a)(3)(B) of the CAA, 42 U.S.C. §§ 7522(a)(3)(B) and 40 C.F.R. § 1068.101(b)(2). These potential violations include selling parts that rendered inoperative the exhaust gas recirculation, diesel particulate filter, and selective catalytic reduction system. *See* enclosed Potential Violation Chart.

These actions may result in excess emissions of particulate matter (PM), nitrogen oxides (NO_x), hydrocarbons, and other air pollutants that harm public health. PM, especially fine particulates containing microscopic solids or liquid droplets, can get deep into the lungs and cause serious health



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problems, including decreased lung function, chronic bronchitis, and aggravated asthma. Additionally, current scientific evidence links short-term NO_x exposures ranging from 30 minutes to 24 hours with adverse respiratory effects including airway inflammation in healthy people and increased respiratory symptoms in people with asthma.

The EPA's primary concern is SCD achieving compliance as expeditiously as possible. The EPA also believes that these potential violations are significant enough to warrant the assessment of a civil penalty. Section 205(a) of the CAA, 42 U.S.C. § 7524(a), authorizes civil penalties for violations of CAA § 203 requirements. To be fair and consistent in its assessment of penalties, the EPA uses the Clean Air Act Title II Vehicle & Engine Civil Penalty Policy, dated January 18, 2021, to calculate penalties. A link to this document is included in the Additional Sources of Information enclosure.

By this letter, the EPA is offering SCD the opportunity to negotiate a fair resolution of this matter before any complaint is filed. A settlement of this matter through achieving full compliance and payment of an appropriate civil penalty would be memorialized in a Consent Agreement and Final Order to be signed by an authorized representative of the company and the EPA. If SCD believes it does not have the financial ability to pay the proposed penalty and wants the EPA to consider its financial condition, SCD should notify the EPA during the settlement discussions to further discuss the circumstances and determine the appropriate financial documentation to substantiate this claim.

If SCD is interested in participating in pre-filing negotiations, please contact Kasey Barton, in the Office of Regional Counsel, within **20 calendar days** of receipt of this letter at 913-551-7874 or barton.kasey@epa.gov. The EPA generally provides a period of 90 days to reach settlement before considering formal enforcement options.

Addressing significant noncompliance with environmental laws is important to protect public health and the environment. At the same time, the EPA recognizes that the COVID-19 pandemic may be impacting SCD's operations and causing hardships to its business. We are open to discussing and considering as part of settlement discussions any circumstances due to the COVID-19 pandemic that the company may be facing.

Your attention to this matter is greatly appreciated. If you have any questions, please do not hesitate to contact Kasey Barton at 913-551-7874, or Tyler Salamasick, Compliance Officer, at 913-551-5142.

Sincerely,

David Cozad
Director
Enforcement Compliance and Assurance Division

Encs.: Additional Sources of Information
Potential Violation Chart

cc: Mike Mostek, Attorney
info@mosteklaw.com

Additional Sources of Information

- Information on CAA Enforcement Policy Guidance and Publications:
<https://www.epa.gov/enforcement/air-enforcement-policy-guidance-and-publications>
- Information on Mobile Source Pollution:
<https://www.epa.gov/mobile-source-pollution>
- Information on CAA Mobile Source Penalty Policy:
<https://www.epa.gov/sites/production/files/2021-01/documents/caatitleiivehicleenginepenaltypolicy011821.pdf>
- Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties, 40 C.F.R. Part 22:
http://www.epa.gov/sites/production/files/2013-10/documents/final-crop-fr_1.pdf
- Information on Small Businesses and Enforcement:
<https://www.epa.gov/compliance/small-business-resources-information-sheet>

Potential Violation Chart
South Central Diesel, Inc.

Product Number	Product Name	Emission Control Device Disabled/Bypassed/Removed/Rendered Inoperative (EGR, DPF, Catalyst, SCR)	Number Sold (Last 6 months 2019 - 2020)
SD-EGRD-6.4-IE	COMPLETE 6.4L EGR KIT W/HIGH F	EGR	1
SD-EGRD-6.7C-07	EGR DELETE KIT DODGE 07.5-09 6	EGR	4
SD-EGRD-6.7C-10	EGR DELETE KIT DODGE 10-12 6.7	EGR	1
SD-EGRD-6.7P-NPT	EGR DELETE FORD 11-14 6.7L	EGR	1
SD-EGRD-LBZ	EGR DELETE KIT GM DURAMAX 06-0	EGR	1
SD-EGRD-LLY	EGR DELETE KIT GM DURAMAX 04.5	EGR	2
SD-EGRD-LMM	2007.5-10 DMAX LMM 6.6	EGR	1
73102	04.5-05 LLY EGR DELETE KIT	EGR	1
75111	LML EGR BLOCKER PLATE	EGR	1
EFI	EFI LIVE TUNE	EGR, DPF, Catalyst, SCR	5
PDR-EGRD-6.0	03-07 FORD 6.0 EGR SOLUTION KIT	EGR	13
PDR-EGRD-6.4P	08-10 EGR SOLUTION W/ INTAKE ELBOW	EGR	7
PDR-EGRD-6.7C-C&C	2013-15 CUMMINS CAB & CHASSIS EGR DELETE KIT	EGR	2
PDR-EGRD-6.7C	07-19 DODGE 6.7 EGR DELETE & BRACKET	EGR	15
PDR-EGRD-6.7P	2011-14 6.7L FORD W/ HOSE ECONOMY EGR DELETE KIT	EGR	29
PDR-EGRD-LML	2011-15 DURAMAX EGR COOLER DELETE KIT	EGR	10
PDR-EGRD-LMM	07-10 LMM DURAMAX EGR SOLUTION KIT	EGR	6
1648	RACE DIESEL KIT DODGE 10-12	DPF, Catalyst, SCR	1
18233	RACE DPF PIPE GM 07.5-10	DPF, Catalyst, SCR	1
21125	RACE SCR PIPE DODGE CC 11-12	DPF, Catalyst, SCR	1
21128	RACE SCR PIPE DODGE CC 13-17	DPF, Catalyst, SCR	2
21129	RACE SCR PIPE DODGE CC 13-17	DPF, Catalyst, SCR	2
27111	RACE CAT DOWNPIPE DODGE 07.5-12	DPF, Catalyst, SCR	1
635NB		DPF, Catalyst, SCR	6
830	DPF BACK DIESEL KIT FORD 08-10	DPF, Catalyst, SCR	1

Product Number	Product Name	Emission Control Device Disabled/Bypassed/Removed/Rendered Inoperative (EGR, DPF, Catalyst, SCR)	Number Sold (Last 6 months 2019 - 2020)
838NB	RACE DIESEL KIT FORD 08-10	DPF, Catalyst, SCR	1
S9044409	RACE DIESEL KIT GM 11-15 LML DURAMAX	DPF, Catalyst, SCR	2
S9044P	RACE DIESEL KIT GM 11-15 LML DURAMAX	DPF, Catalyst, SCR	2
S9045P	RACE DIESEL KIT GM 15.5-16 LML DURAMAX	DPF, Catalyst, SCR	1
S9142P	RACE DIESEL KIT DODGE 10-12	DPF, Catalyst, SCR	5
S9145409	RACE DIESEL KIT DODGE 13-17	DPF, Catalyst, SCR	3
S9147409	RACE DIESEL KIT DODGE 13-17	DPF, Catalyst, SCR	1
S9147PLM	5" FILTER BACK + KIT w/out MUFFLER, ALUM	DPF, Catalyst, SCR	1
S9147P	RACE DIESEL KIT DODGE 13-17	DPF, Catalyst, SCR	1
S9254409	RACE DIESEL KIT FORD 08-10	DPF, Catalyst, SCR	1
S9254P	RACE DIESEL KIT FORD 08-10 POWERSTROKE	DPF, Catalyst, SCR	1
S9262P	RACE DIESEL KIT FORD 11-17 POWERSTROKE	DPF, Catalyst, SCR	7
S9280409	RACE DIESEL KIT FORD 11-17	DPF, Catalyst, SCR	1
S9292409	4" FILTER BACK PLUS KIT W/ MUFFLER STAINLESS 17-19 FORD	DPF, Catalyst, SCR	1
S9292P	4" FILTER BACK PLUS KIT W/ MUFFLER AL 2017-19 FORD	DPF, Catalyst, SCR	1
SS1836	RACE DIESEL KIT DODGE 07.5-09	DPF, Catalyst, SCR	1
D506TB	Dodge Race Exhaust	DPF, Catalyst, SCR	1
AC004RP	11-15.5 GM Race Pipes	DPF, Catalyst, SCR	3
D006TB	13-18 Dodge Race Exhaust	DPF, Catalyst, SCR	2
EFI	EFI Live tunes for V2 w/ Tranny Tuning	EGR, DPF, Catalyst, SCR	1
S9004P	RACE DIESEL KIT GM 07.5-10 LMM DURAMAX	DPF, Catalyst, SCR	1
100EE00AA2	EZLink Auto Agent 2.0	EGR, DPF, Catalyst, SCR	2
Mini	Mini Max	EGR, DPF, Catalyst, SCR	1
		TOTAL	156